

## Message Text

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67

ORIGIN NEA-16

INFO OCT-01 ISO-00 EB-11 AID-20 IGA-02 SSO-00 NSCE-00

INRE-00 USIE-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

/109 R

DRAFTED BY NEA/INS:DWBORN-NEA/INS:JMGIBNEY:LAB

APPROVED BY NEA:LBLAINGEN

NEA/INS:DKUX

EB/IFD/ODF:RBENEDICK

NEA/P:JBRIGGS

AID/ASIA:AWHITE

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O 300021Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI IMMEDIATE

INFO AMCONSUL BOMBAY IMMEDIATE

AMCONSUL CALCUTTA IMMEDIATE

AMCONSUL MADRAS IMMEDIATE

C O N F I D E N T I A L STATE 112887

E.O. 11652: GDS

TAGS:EAID, TECH, PARM, IN, US

SUBJECT: AID TO INDIA FOLLOWING NUCLEAR TEST

REF.: (A) NEW DELHI 7060; (B) STATE 111847

1. HERE IS OUR RECONSTRUCTION OF WHAT LED TO THE HEAD-  
LINES IN INDIA REPORTED IN YOUR 7060.

2. FIRST, COWAN ARTICLE IN NY TIMES OF MAY 28 WAS MIS-  
QUOTED BY PTL. TITLE OF ARTICLE, "BLAST BY INDIA PROMPTS  
HIGH-LEVEL REVIEW OF AID", MISLEADING IN THAT COWAN STORY  
DEALT PRIMARILY WITH EFFECT ON NPT, ADEQUACY OF IAEA  
SAFEGUARDS AND QUESTION OF PEACEFUL SHARING OF NUCLEAR  
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TECHNOLOGY. ONLY REFERENCE TO AID WAS ONE LINE IN FIRST

PARAGRAPH SAYING INDIAN EXPLOSION "HAS PROMPTED A HIGH-LEVEL INTERAGENCY REVIEW OF UNITED STATES AID TO INDIA." WE DO NOT KNOW THE SOURCE OF THIS COMMENT.

3. SECOND, THE DEPARTMENT'S SPOKESMAN'S STATEMENT OF MAY 28 (STATE 111847)-

4. THIRD, REPORTS OF WORLD BANK EXECUTIVE BOARD DISCUSSION MAY 28 OF THE PROPOSED 150 MILLION DOLLAR NON-PROJECT IDA LOAN TO INDIA. BOARD APPROVED THE LOAN. NO VOTE WAS TAKEN. THE JAPANESE BOARDMEMBER SPOKE AGAINST

THE NUCLEAR EXPLOSION. THE US REP ALSO SPOKE. NO OTHER REP ADDRESSED THE MATTER. WE DID NOT OPPOSE THE LOAN.

5. STATEMENT BY THE US REP AT THE WORLD BANK EXECUTIVE BOARD MEETING WAS LIMITED TO THE FOLLOWING POINTS, UNDER INSTRUCTIONS:

(A) WE KNOW THAT THE GREAT BULK OF INDIA'S NUCLEAR DEVELOPMENT TO DATE HAS BEEN FOR PEACEFUL PURPOSES INCLUDING CONSTRUCTION OF POWER PLANTS ESSENTIAL TO ITS ENERGY NEEDS; BUT

(B) NUCLEAR EXPLOSION RAISES QUESTION OF INDIA'S ECONOMIC PRIORITIES FOR THE FUTURE;

(C) ALL AID GIVERS WILL WISH CAREFULLY TO EXAMINE EXPLOSION'S IMPLICATION.

6. RE AID TALKS, WE HAVE CONTINUED TO TAKE LINE HERE WITH PRESS THAT US HAD EXPRESSED ITS WILLINGNESS TO DISCUSS WITH INDIA POSSIBLE BASES FOR NEW ECONOMIC RELATIONSHIP. INFORMAL TALKS HAVE BEEN HELD, BUT NO FORMAL TALKS HAVE YET BEGUN. WE GENERALLY PUT THIS AGAINST BACKGROUND OF RUPEE AGREEMENT AND US WILLINGNESS DISCUSS TRADE AND INVESTMENT MATTERS. IN OTHER WORDS WE HAVE NOT SAID AID AS SUCH UNDER REVIEW. WE HAVE SAID WHEN PRESSED THAT WE ARE REVIEWING VARIOUS IMPLICATIONS  
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OF NUCLEAR DETONATION. BROWN

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, AGREEMENTS, FOREIGN ASSISTANCE PROGRAMS, NUCLEAR TESTS, RUPEE, PEACEFUL USES OF ATOMIC ENERGY  
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**Subject:** AID TO INDIA FOLLOWING NUCLEAR TEST  
**TAGS:** EAID, TECH, PARM, IN, US  
**To:** NEW DELHI  
**Type:** TE  
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